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Written testimony of Scott Ziskin, President and CEO of Paradigm Healthcare Development, LLC with facilities in New Haven, Prospect, South Windsor, Torrington, Waterbury, and West Haven, Connecticut regarding:

***Proposed H.B. No. 5586 AN ACT INCREASING NURSING FACILITY RATES.**
<http://www.cga.ct.gov/2015/TOB/H/2015HB-05586-R00-HB.htm>

***Proposed H.B. No. 5812 AN ACT CONCERNING A COST OF LIVING INCREASE FOR NURSING FACILITIES.** **<http://www.cga.ct.gov/2015/TOB/H/2015HB-05812-R00-HB.htm>**

***Proposed S.B. No. 231 AN ACT CONCERNING COST-OF-LIVING INCREASES FOR NURSING HOMES.** **<http://www.cga.ct.gov/2015/TOB/S/2015SB-00231-R00-SB.htm>**

Good evening Senator Moore, Representative Abercrombie and to the members of the Human Services Committee. My name is Scott Ziskin. I am the President and CEO at Paradigm Healthcare in Connecticut. We currently own and operate six nursing homes in South Windsor, Torrington, Waterbury, Prospect, New Haven, and West Haven, Connecticut. Paradigm Healthcare is a longstanding provider of nursing care in the communities. We have 663 beds and currently employ over 1,100 hard working and caring staff. I am here this afternoon to ask the Human Services Committee to ask for your support for **H.B. No. 5586 AN ACT INCREASING NURSING FACILITY RATES, H.B. No. 5812 AN ACT CONCERNING A COST OF LIVING INCREASE FOR NURSING FACILITIES, and S.B. No. 231 AN ACT CONCERNING COST-OF-LIVING INCREASES FOR NURSING HOMES.** This bill is being advanced by the Connecticut Association of Health Care Facilities (CAHCF), of which our organization is a member.

First I want to publicly thank the state legislators who introduced these badly needed bills--- House Republican Leader Klarides, and Representatives Perillo and Gentile, and State Senator Crisco. And thank you also to the Human Services Committee for including these bills at this public hearing.

The bills all get to the same issue. Medicaid Nursing facility rates have been basically flat since 2007, but costs have been dramatically rising. The bills recognize that just can't work over time and provide for increasing rates, by an annual cost of living adjustment or through a formula that increases rates based on the nursing facilities costs.

The message from my point of view, as an Owner/Operator is simple----Our nursing facilities need your help. We just can't continue on a path where no help is provided without strapping our employees and jeopardizing quality.

Each day our facilities face increases in a multitude of areas, such as the cost of acquiring goods and services as food, dairy and produce increases, rising utility costs, fuel surcharges, a FUTA credit reduction, and even more significantly, the additional costs associated with complying with the ACA. Our health insurance rates alone have increases 6.5% as a direct result of the ACA itself.

Here are some additional examples of what we are up against in our nursing facility while the rates have been stagnant:

- Average day in Accounts Receivable to collect our Medicaid Pending dollars is over 150 days. While we are taking care of these residents, feeding them, providing them with their critical nursing and psychosocial needs, we are not receiving any payment for our services.
- Each day we care for our frail and elderly Medicaid Pending recipients, our homes are paying a provider tax on that day. Totaling over \$88,000 in provider taxes we pay to the State of Connecticut while we await the Medicaid approval and receive the revenue which was designed to cover the cost of the tax.
- This process creates an environment of "free care" by our homes and also adds additional cost in the payment of a tax before the revenue is technically collected to pay that tax.

We continue work harder to find ways to improve nursing care and quality outcomes for our residents and staff through achieving as much efficiency as we can. We are investing in electronic medical records, computer software programs to reduce documentation times, and provide for more

direct patient care. All of these programs are costly and with Medicaid rates essentially flat, all of the above examples further compress our ability to achieve our mutual goals. Our residents are our most important focus, and our staff our most important asset.

Collectively, we have a moral and ethical obligation to improve quality care and outcomes. This is the reason we choose to take care of our most frail and elderly. With such uncertainty in the reimbursement system and the continued rising uncontrollable costs I outlined above, we need your support.

I am asking you to advance these bills and provide our nursing facilities the help they need to care for our residents.

Thank you and I would be happy to answer any questions you may have. Thank you.

A handwritten signature in black ink, appearing to read 'Scott Ziskin', with a stylized flourish at the end.

Scott Ziskin
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